Revenue Service data on the tax returns of thousands of the nation's wealthiest people, covering over 15 years.''

I have spoken about this apparent leak or hack on IRS data before. During the August recess, POLITICO Pro's Morning Tax, writing about ProPublica, noted that ''it's been almost two-and-a-half months since it ran its first story on that leaked tax data and, though the leak is perhaps the worst in the IRS's history, the government has yet . . . to say anything publicly about how it happened.''

As absurd as that statement is, it is also accurate, and I will speak about the accuracy of that. The Biden administration has not said what happened regarding perhaps the worst leak or hack in the history of the IRS.

Now, in doing my constitutional duty of congressional oversight, I have sent letters to the IRS and to the Attorney General and to the FBI, who have provided an embarrassingly small amount of information in response to my letters.

The first ProPublica story was published on June 8 of this year. On June 11, I joined Leader MCCONNELL and Finance Committee Ranking Member CRAPO on a letter to Attorney General Garland and FBI Director Wray. Days later, on June 16, I sent a letter with other Judiciary Committee members asking more detailed questions.

It took almost 2 months for the Department of Justice to respond to these letters by sending me two copies of the same form letter in response to my letter. Dated August 10, one of the letters contains an apparent typo in that it purports to be in response to a letter ''dated June 6, 2021.''

Given that ProPublica began publishing stories about this on June 8, if I was clairvoyant enough to write a letter on the leak 2 days earlier, I would already know what really happened. The fact that the Department responded to two different letters with the exact same form letter and couldn't correctly refer to my letters shows a lack of diligence that is not unique to this matter.

In response to a different letter I sent with Senator CRAPO to the Commissioner of the IRS, Rettig, I received a recent response that states: ''We do not yet have any information concerning the source of the alleged taxpayer information published by ProPublica.''

Now, the IRS Commissioner is advocating for Congress to pass an expansive new reporting requirement for the IRS. Every bank account over $600 is going to be sent to the IRS for their review and use if they want to go after the taxpayers. If Commissioner Rettig doesn't even know whether the ProPublica information came from the IRS, how can he assure us the IRS can properly protect this new information that they want the Congress to pass? I don't think he is going to be able to convince anybody of that.

Mr. President, I ask unanimous consent that the response I have received from the Department of Justice and the IRS be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC.

Hon. CHARLES E. GRASSLEY,
Ranking Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: This responds to your letter to the Attorney General and the Director of the Federal Bureau of Investigation (FBI) dated June 6, 2021, urging the investigation and prosecution of the disclosure of confidential taxpayer information as reported in the media. We are sending identical responses to the other Senators who joined in your letter. We appreciate knowing of your concerns about this matter.

As you may be aware, the Secretary of the Treasury testified recently that the Internal Revenue Service (IRS) is looking into the matter as is the Treasury Inspector General for Tax Administration (TIGTA). She further stated that the matter had been referred to the Treasury Inspector General, as well as the Department of Justice.

The Department is committed to taking investigative steps as appropriately predicated and authorized, carefully reviewing referrals we receive, and, as appropriate, considering relevant and admissible evidence in light of the Principles of Federal Prosecution. See Justice Manual 9–27.000. While we understand how important this issue is to you, longstanding Department policy will preclude us from providing your office with any information related to this matter outside the public record.

We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

JOE GAETA,
Deputy Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC.

Hon. CHARLES E. GRASSLEY,
Ranking Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: This responds to your letter to the Attorney General and the Director of the Federal Bureau of Investigation (FBI) dated June 11, 2021, urging the investigation and prosecution of the disclosure of confidential taxpayer information as reported in the media. We are sending identical responses to the other Senators who joined in your letter. We appreciate knowing of your concerns about this matter.

As you may be aware, the Secretary of the Treasury testified recently that the Internal Revenue Service (IRS) is looking into the matter as is the Treasury Inspector General for Tax Administration (TIGTA). She further stated that the matter had been referred to the Treasury Inspector General, as well as the Department of Justice (Department).

The Department is committed to taking investigative steps as appropriately predicated and authorized, carefully reviewing referrals we receive, and, as appropriate, considering relevant and admissible evidence in light of the Principles of Federal Prosecution. See Justice Manual 9–27.000. While we understand how important this issue is to you, longstanding Department policy will preclude us from providing your office with any information related to this matter outside the public record.

We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

JOE GAETA,
Deputy Assistant Attorney General.

Mr. GRASSLEY. Mr. President, I call on Attorney General Garland, FBI Director Wray, and Commissioner Rettig to take the apparent leak or hack of taxpayers' information very seriously and cooperate with our constitutionally mandated responsibility to conduct oversight to see that the laws are faithfully executed.

The protection of taxpayers' information provided to the IRS is of critical importance to the basic functioning of government. Determining the source of the information published by ProPublica should be a top priority for our Nation's tax enforcement Agency and, allegedly, premier law enforcement entity. I intend to continue working with Ranking Member CRAPO of the Finance Committee and anybody else to continue looking into this matter. I hope that we are able to resolve how any confidential taxpayer information was obtained from the IRS and those responsible are held accountable.

TAXES

Mr. President, on another matter, President Biden and congressional Democrats have repeatedly pledged not to raise taxes on anyone earning under $400,000. They have said it so many times that it has begun to sound like a broken record. The thing is, when someone feels the need to repeat a claim over and over, it is likely that they are trying to pull the wool over our eyes. That is exactly the case with the Democrats' tax pledge.

According to an analysis by the nonpartisan Joint Committee on Taxation, there isn't a single income group completely spared from the Democrats' tax hikes. In other words, it is going to hit a lot of people with incomes below $400,000 a year.

And I know my colleagues know what the Joint Committee on Taxation is. It is an expert group that studies the Tax Code and the impact of tax changes. But, for the public at large, this is a nonpartisan group of people that do a very fine job of saying how changes in the Tax Code will affect whomever they are supposed to affect. Not those making under $400,000, not those making under $100,000, and not even those making under $10,000 will be guaranteed not having their taxes increased, as the President promised.

So going back to the Joint Committee on Taxation analysis, over 12 percent of taxpayers with incomes between $50,000 and $100,000 would see a tax increase. Thirty-five percent of those earning between $100,000 and $200,000 would pay higher taxes. You can't raise taxes on small businesses and other job creators—these entrepreneurs—without hitting the middle class.

Economic studies show that when you raise taxes on businesses, anywhere from 20 to 70 percent of that tax increase falls on the workers. Now, the Joint Committee on Taxation assumes it is about 25 percent. Whatever doesn't fall on the backs of workers falls on shareholders. And then you need to remember that when it falls on shareholders, there are millions of middle-class Americans trying to accumulate a nest egg for retirement.

So, yes, when you hike taxes on small business from a top rate of 37 percent to over 46 percent—once including the Democrats' proposed surtaxes—you, President Biden, hit the middle class. When you increase taxes on corporations from 21 percent to 26.5 percent—returning our corporate tax rate to one of the highest in the developed world once figuring in State taxes as well—you, President Biden, also hit the middle class.

Yet, Democrats contend their proposal includes tax cuts for the middle class. More accurately, they cut taxes for a chosen group of middle and lower income Americans and a select few millionaires. Unlike the 2017 tax law that was passed by a Republican Senate that cuts taxes for the vast majority of the middle class, the Democrats' tax-and-spending bill leaves most—over 70 percent—of the taxpayers with either a goose egg or a tax hike.

The Democrats' tax bill is about picking winners and losers; it is not about sound tax policy. If you don't have the right family composition or spend your money how Democrats want, you don't get a tax cut, but you may get a tax increase. On the other hand, if you are wealthy and on a waiting list for a $69,000, all-electric, 2022 SUV, you are in store for a $12,500 tax credit—financed in part on the backs of the middle class. Moreover, if you are a multibillion-dollar company with a preexisting commitment to go net zero emissions by 2040, you are in for a multimillion-dollar tax windfall—once again, that tax windfall financed in part on the backs of the middle class.

So I hope the American people won't be fooled by my Democratic colleagues' rhetoric. Their bill hikes taxes on millions of taxpayers, and their narrowly targeted tax cut leaves most out in the cold.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Ms. LUMMIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. OSSOFF). Without objection, it is so ordered.

CENTRAL BANK DIGITAL CURRENCIES AND STABLECOINS

Ms. LUMMIS. Mr. President, the Federal Reserve Board of Governors will soon be releasing a discussion paper on a potential U.S. central bank digital currency. Additionally, the President's Working Group on Financial Markets is expected to release a set of recommendations relating to the supervision of stablecoins in the coming weeks. I want to lay out my views on central bank digital currencies and stablecoins in advance of these coming discussions.

Financial innovation has the potential to bring new prosperity to the next generation of Americans, reduce systemic risk, and promote inclusion for many who are, unfortunately, at the periphery of our financial system. America's leadership in global financial services is a heritage our country can rightly be proud of, but our country must not become complacent, because this leadership is a privilege, not a right.

I am supportive of the Federal Reserve Board's efforts to study how central bank digital currency, or CBDC, may be appropriate in the United States. I want to lay out what I believe are the key tenets of a consumer-focused U.S. central bank digital currency, including factors such as legitimate need, financial inclusion, programmability, privacy, and avoiding systemic risk. My comments are only focused on a consumer-focused central bank digital currency, as an interbank or wholesale central bank digital currency is a different proposition.

The first principle is legitimate need. A serious value proposition must exist in order to move forward with a central bank digital currency, one that cannot be reliably met by private-sector innovation.

It is important to note that the U.S. dollar is already digitized; that is, it has been reduced to electronic form. Most Americans predominantly use an electronic means of banking every day, and interbank settlement also takes place through electronic channels. These payment rails are generally electronic commercial bank money, however. A CBDC would be central bank money, which represents a direct claim on the Federal Reserve System.

So we must ask hard questions about whether there are other means of accomplishing the goals of a central bank digital currency and identify opportunities, risks, and costs.

The second is financial inclusion.

About 5.4 percent of households in the United States did not have a bank account as of 2019, with a further 18.7-percent of the population being underbanked. A CBDC should meaningfully reduce these statistics. A CBDC also has the potential to reduce the cost of payments for both depository institutions and consumers by removing existing frictions in sending money.

The programmability of a CBDC will also likely promote financial inclusion by giving consumers more control over their money, allowing those from disadvantaged backgrounds access to the latest technology features. This would allow consumers to automate the payment of bills, assist with monthly budgeting, reduce or eliminate overdraft fees, and most importantly, allow hard-working Americans to receive their paychecks earlier.

Some additional factors that must be considered as part of the inclusion are the reduction or elimination of minimum balance requirements, ease of access to a CBDC, and convertibility into physical cash.

Third is the concept of programmability. Money represents value, but it is not programmable today.

Programmability, at its core, is the technological means to specify the automated behavior or control logic of money in a manner that is tied to the actual value itself. Programmability focuses on the characteristics of money, including the identity of the owner, the amount of money being transferred, and the conditions under which the outside world can interact with that money.

A CBDC should contain robust programmability, allowing users to easily specify conditions with respect to that money, such as interest payments; payment versus payment, which is ''I only pay you if you pay me''; delivery versus payment, which is ''I give you a security or a commodity only if you pay me''; escrow, or preventing your child from buying ice cream except on Fridays; and, of course, avoiding overdraft fees.

A central bank digital currency should also be future-proofed, with a core code that can be adapted to fully meet future demands and which also contains room for value-added services built upon the CBDC architecture.

Fourth is the critical role of privacy. A CBDC must have the same level of privacy as physical cash today. Appropriate transactional anonymity is a public good. Americans must have confidence that a central bank digital currency is not being used for surveillance and that their personal financial data is either not being collected or is subject to rigorous technological and legal controls, including the Fourth Amendment to the U.S. Constitution. We cannot allow a CBDC to become a panopticon, or an all-seeing eye, as will soon be the case with China's central bank digital currency.

Fifth is avoiding systemic risk and disruption. A CBDC should not create systemic risk or undue disruption to the U.S. economy. Transitional arrangements for a CBDC may be necessary, and physical cash must remain legal tender as long as Americans desire it, with Congress's having the final say on the future of physical cash.

These are the five principles that I consider essential to any central bank digital currency proposal. Congress must have the ultimate say on whether the United States adopts a central bank digital currency. I encourage my colleagues to think deeply about these issues and to develop their own rubric for the future of money.

Finally, I want to say a few words about stablecoins in advance of the President's working group report that will be coming out shortly.